

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
(Alexandria Division)**

In re: GUNNING MOTORS, INC. Debtor	Case No. 10-11896-RGM Chapter 11
---	---

**ORDER CONTINUING HEARINGS AND APPROVING
STIPULATION OF MOVANTS**

This case was before the Court on the following motions: (i) Debtor’s Motion for Order (A) Authorizing Sale of Debtor’s Assets Free and Clear of any Claims, Liens and Encumbrances and the Assignment of the Existing Lease, (B) Approving Break Up Fee and (C) Approving Bidding Procedures (the “Sale Motion”, Dkt. No. 30), (ii) Motion of Subaru of America, Inc. for Relief from the Automatic Stay to Allow Enforcement by the Virginia Department of Motor Vehicles of Pre-Petition Settlement Agreement with Debtor (Dkt. No. 60), and (iii) Chrysler Financial Services Americas, LLC’s Motion for Relief from Automatic Stay Provisions of 11 U.S.C. § 362(a) (Dkt. No. 66) (collectively the “Motions”), and the Debtor, Subaru of America, Inc. (“SOA”) and Chrysler Financial Services Americas, LLC (each a “Movant” and collectively the “Movants”) having requested a continuance of the Motions in order to seek to facilitate the resolution of matters set forth in the Motions and it appearing to the Court that a continuance of the hearings on the Motions is appropriate and that the Court approves the stipulation set forth below among the Movants, it is therefore

ORDERED that the hearings on each of the Motions are continued until July 12, 2010 at 10:30 a.m.;

ORDERED that each of the Movants as well as each of (i) Brown Automotive Group, Ltd., (ii) The Lindsay Automotive Group and (iii) Rosenthal Automotive Group, each an applicant (individually an “Applicant” and collectively the “Applicants”) seeking to purchase assets of the Debtor pursuant to the Sale Motion and seeking approval from SOA as a dealer for the “area of responsibility” for which the Debtor currently has a Subaru Dealer Agreement (the “Debtor’s Subaru Dealer Agreement”) reserve all rights and defenses and objections thereto with respect to each of the Motions which may be asserted at the hearings to be held on July 12, 2010;

AND IT IS FURTHER APPROVED that the Movants have stipulated as follows:

1. On or before June 24, 2010, any of the Applicants who desires consideration by SOA for a Dealer Agreement for the “area of responsibility” that is the subject of the Debtor’s Subaru Dealer Agreement (a “Replacement Dealer Agreement”) shall submit to SOA the SOA dealer application and such other related information as requested by SOA. No information that is received after June 24, 2010 will be considered by SOA.
2. No later than July 8, 2010, SOA shall disclose to the Debtor and each of the Applicants the results of its determination as to whether any of the Applicants or more than one of the Applicants is acceptable to SOA for a Replacement Dealer Agreement.
3. If SOA deems only one Applicant to be acceptable then it is the intention of the Debtor to assert that such Applicant has proposed the “highest and best” offer for the assets to be sold pursuant to the Sale Motion.

4. If SOA determines that more than one of the Applicants is acceptable to SOA then the Debtor shall conduct an “open outcry” auction among such Applicants which may be attended by the Movants and such Applicants, either in person or by conference call, at a time and place selected by the Debtor to be conducted prior to July 12, 2010. In such event it is the intention of the Debtor to assert that the “highest and best offer” for the assets subject to the Sale Motion is proposed by that Applicant that has submitted the highest purchase price at the conclusion of such auction.

Robert G. Mayer
United States Bankruptcy Judge

/s/ Ann E. Schmitt
Ann E. Schmitt, VSB #22030
Culbert & Schmitt, PLLC
30C Catoctin Circle, SE
Leesburg, VA 20175
703-737-6377
703-737-6370
Counsel for the Debtor

/s/ Paul K. Campsen
Paul K. Campsen, VSB #18133
Terry C. Frank, VSB #74890
Kaufman & Canoles, P.C.
Three James Center, 12th Floor
1051 E. Cary Street
Richmond, VA 23219
757-624-3000
757-624-3469
Counsel for Chrysler Financial Services Americas, LLP

Mark J. Friedman

Mark J. Friedman, VSB #16808

Mitka Baker

DLA Piper LLC (US)

6225 Smith Avenue

Baltimore, MD 21209

410-580-3000

410-580-3001

Counsel for Subaru of Americas, LLP